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| APPLICATION NO.  | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|----------------------|---------------------|------------------|
| 10/698,497   | 10/30/2003  | Jim E. Rainey        | 6560P002            | 9592             |
| 8791   | 7590        | 05/01/2008           | EXAMINER            |                  |
| BLAKELY SOKOLOFF TAYLOR & ZAFMAN<br>1279 OAKMEAD PARKWAY<br>SUNNYVALE, CA 94085-4040 |             |                      |                     | KAZIMI, HANI M   |
| ART UNIT   |             | PAPER NUMBER         |                     |                  |
| 3691   |             |                      |                     |                  |
| MAIL DATE  |             | DELIVERY MODE        |                     |                  |
| 05/01/2008   |             | PAPER                |                     |                  |

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

|                              |                        |                     |  |
|------------------------------|------------------------|---------------------|--|
| <b>Office Action Summary</b> | <b>Application No.</b> | <b>Applicant(s)</b> |  |
|                              | 10/698,497             | RAINEY, JIM E.      |  |
|                              | <b>Examiner</b>        | <b>Art Unit</b>     |  |
|                              | Hani Kazimi            | 3691                |  |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 17 February 2008.
- 2a) This action is **FINAL**.                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-26 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-26 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)          | 4) <input type="checkbox"/> Interview Summary (PTO-413)           |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ .                                    |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)          | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ .  | 6) <input type="checkbox"/> Other: _____ .                        |

## DETAILED ACTION

This communication is in response to Applicant's amendment filed on February 17, 2008. The rejections are as stated below.

### ***Claim Rejections - 35 USC § 101***

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-6, 13-15 and 19-21 are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

35 USC 101 requires that in order to be patentable the invention must be a "new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof" (emphasis added).

Claims 1-6, 13-15 and 19-21 are rejected under 35 U.S.C. § 101 because; the claimed invention is directed to a non-statutory subject matter. Specifically the claimed invention as a whole does not accomplish a practical application. That is, it must produce a "useful, concrete and tangible result." See State Street, 149 F.3d at 1373, 47 USPQ2d at 1601-02. Accordingly, a complete disclosure should contain some indication of the practical application for the claimed invention. The mere fact that the claim allows

bidders to place bids does not satisfy the requirement of 35 U.S.C. 101. The claim may be interpreted in an alternative as involving no more than a manipulation of an abstract idea that performs mental steps and therefore non-statutory under 35 U.S.C. § 101. The claimed invention as a whole must produce a "useful, concrete and tangible" result to have a practical application. The allowing steps are not considered to be positive limitation.

### ***Claim Rejections - 35 USC § 112***

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claim 3 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

Claim 3 recites the limitation "the particular action" in line 1. There is insufficient antecedent basis for this limitation in the claim.

### ***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

The factual inquiries set forth in *Graham v. John Deere Co.*, 383 U.S. 1, 148 USPQ 459 (1966), that are applied for establishing a background for determining obviousness under 35 U.S.C. 103(a) are summarized as follows:

1. Determining the scope and contents of the prior art.
2. Ascertaining the differences between the prior art and the claims at issue.
3. Resolving the level of ordinary skill in the pertinent art.
4. Considering objective evidence present in the application indicating obviousness or nonobviousness.

Claims 1-26 are rejected under 35 U.S.C. 103(a) as being unpatentable over Davis et al (US 6269361) in view of Canali et al (US 7272579).

Re claims 1, 7, 13 and 19: Davis teaches allowing plurality of bidders to each place bids for displaying an associated advertisement within a results page of a search based on a search string.

Davis does not explicitly teach allowing a secondary bidder to selectively place a secondary bid to augment the primary bid of a primary bidder by a monetary amount; and storing the bids (abstract, col. 5, lines 35-52).

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line 63 through col. 17, lines 3; col. 18, lines 8-10). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis to allow combining bids as taught by Canali for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Re claims 2, 8, 14, 17, 20 and 23: Davis teaches wherein the primary bid is expressed as a price-per-action that the primary bidder is willing to pay for a particular action (fig. 9).

Re claims 3, 9, 15, 18, 21 and 24: Davis teaches wherein the particular action is selected from the group consisting of a cost-per-acquisition, a cost-per-lead, and a cost-per-click (fig. 9).

Re claims 4, 11 and 26: Davis does not explicitly teach comprising allowing more than one secondary bidder to selectively place a secondary bid to augment the primary bid of the primary bidder.

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line 63 through col. 17, lines 3; col. 18, lines 8-10). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis to allow combining bids as taught by Canali for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Re claims 5, 10, 16, 22 and 25: Davis teaches comprising determining an order in which the associated advertisement of each bidder is to be displayed on the results page.

Davis does not explicitly teach that the order is based on a combination of the primary bidder and each secondary bid associated therewith.

However, Canali teaches the concepts of combining a first bid and a second bid of first vendor and a second vendor respectively and storing the second bid (col. 16, line 63 through col. 17, lines 3; col. 18, lines 8-10). It would have been obvious to one of ordinary skill in the art at the time of the invention to modify Davis to allow combining bids as taught by Canali for the obvious reason of increasing the chances of being placed at a more advantageous spot in the search result list.

Re claims 6 and 12: Davis and Canali do not explicitly teach wherein each secondary bid augments the primary bid only for a defined time period. However, official notice is hereby taken that the concept of specifying a time period for which a bid is submitted is old and well known. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the combination Davis and Canali to include this feature for the obvious advantage of providing flexibility to the bidders.

### ***Response to Arguments***

Applicant's arguments with respect to claims have been considered but are moot in view of the new ground(s) of rejection.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Hani Kazimi whose telephone number is (571) 272-6745. The examiner can normally be reached Monday-Friday from 8:30 AM to 5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Hani M. Kazimi/

Primary Examiner, Art Unit 3691

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